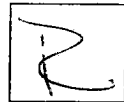


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



WS-02156A
Rio Verde Utilities — *Water*
25609 Danny Lane, Ste 1
Rio Verde, AZ 85263

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
--------	----

PROCESSED BY:

4-18-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Rio Verde Utilities Inc.</u>		
Mailing Address <u>25609 N. Danny Lane, Suite 1</u>		
<u>Rio Verde</u> (City)	<u>AZ</u> (State)	<u>85263</u> (Zip)
<u>(480) 471-7247</u> Telephone No. (Include Area Code)	<u>(480) 471-7636</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u>rioverde@cox.net</u>		
Local Office Mailing Address <u>Same</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Sim Thomson</u>		<u>Vice President</u>	
 (Name)	 (Title)		
<u>25609-1 N. Danny Lane</u>	<u>Rio Verde</u>	<u>AZ</u>	<u>85263</u>
(Street)	(City)	(State)	(Zip)
<u>(480) 471-7247</u>	<u>(480) 471-7636</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>rioverde@cox.net</u>			
On Site Manager: <u>Michael L. Kleminski</u>			
(Name)			
<u>25609-1 N Danny Lane</u>	<u>Rio Verde</u>	<u>AZ</u>	<u>85263</u>
(Street)	(City)	(State)	(Zip)
<u>(480) 471-7247</u>	<u>(480) 471-7636</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Jim Thomson

(Name)

25609-1 N. Danny Lane

(Street)

Rio Verde

(City)

AZ

(State)

85263

(Zip)

(480) 471-7247

Telephone No. (Include Area Code)

(480) 471-7636

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Richard Sallquist

(Name)

4500 S. Lakeshore Dr, Suite 339 Tempe

(Street)

(City)

AZ

(State)

85285

(Zip)

(602) 224-9222

Telephone No. (Include Area Code)

(480) 730-0761

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Rio Verde Utilities - Water Division

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1380		
302	Franchises	—		
303	Land and Land Rights	176512		
304	Structures and Improvements	33133		
307	Wells and Springs	2260369		
311	Pumping Equipment	923779		
320	Water Treatment Equipment	35641		
330	Distribution Reservoirs and Standpipes	362475		
331	Transmission and Distribution Mains	2548306		
333	Services	421065		
334	Meters and Meter Installations	156545		
335	Hydrants	183259		
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	51559		
343	Tools, Shop and Garage Equipment	11964		
344	Laboratory Equipment	7917		
345	Power Operated Equipment			
346	Communication Equipment	64497		
347	Miscellaneous Equipment			
348	Other Tangible Plant	122316		
	TOTALS	7412056	2431765	4980,291

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Rio Verde Utilities - Water Division

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1380		
302	Franchises	—		
303	Land and Land Rights	176512		
304	Structures and Improvements	33133		
307	Wells and Springs	2260369		
311	Pumping Equipment	923779		
320	Water Treatment Equipment	35641		
330	Distribution Reservoirs and Standpipes	362475		
331	Transmission and Distribution Mains	2548306		
333	Services	421065		
334	Meters and Meter Installations	156545		
335	Hydrants	183259		
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	51559		
343	Tools, Shop and Garage Equipment	11964		
344	Laboratory Equipment	7917		
345	Power Operated Equipment			
346	Communication Equipment	64497		
347	Miscellaneous Equipment			
348	Other Tangible Plant	122316		
	TOTALS	7412056	2.3215	172,072

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME Rio Verde Utilities Inc - Water Division

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 48,787	\$ 63,025
134	Working Funds		
135	Temporary Cash Investments	1277,495	1,503,667
141	Customer Accounts Receivable	97,677	83,756
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	1,741	1,350
162	Prepayments	70,144	82,983
174	Miscellaneous Current and Accrued Assets	233,758	213,881
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1,729,602	\$ 1,948,662
	FIXED ASSETS		
101	Utility Plant in Service	\$ 7,241,014	\$ 7,412,056
103	Property Held for Future Use	293,513	293,513
105	Construction Work in Progress	444,565	392,576
108	Accumulated Depreciation - Utility Plant	(221,410.2)	(2,431,765)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 5,764,996	\$ 5,666,380
	TOTAL ASSETS	\$ 7,494,592	\$ 7,615,042

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME Rio Verde Utilities Inc — Water Division

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 49,786	\$ 50,799
232	Notes Payable (Current Portion)	74,798	77,481
234	Notes/Accounts Payable to Associated Companies	31,797	46,749
235	Customer Deposits		
236	Accrued Taxes	8,689	7,963
237	Accrued Interest	9,179	
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 174,249	\$ 182,992
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 1,517,197	\$ 1,422,869
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	154,505	152,458
255	Accumulated Deferred Investment Tax Credits	19,623	17,180
271	Contributions in Aid of Construction	1,525,708	1,540,163
272	Less: Amortization of Contributions	(415,592)	(462,563)
281	Accumulated Deferred Income Tax	211,435	251,294
	TOTAL DEFERRED CREDITS	\$ 1,495,679	\$ 1,498,532
	TOTAL LIABILITIES	\$ 3,187,125	\$ 3,104,392
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,412,364	\$ 1,412,364
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	2,895,103	3,098,286
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 4,307,467	\$ 4,510,650
	TOTAL LIABILITIES AND CAPITAL	\$ 7,494,592	\$ 7,615,042

COMPANY NAME Rio Verde Utilities Inc - Water Division

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,401,783	\$ 1,385,012
460	Unmetered Water Revenue		
474	Other Water Revenues	43,727	38,998
	TOTAL REVENUES	\$ 1,445,510	\$ 1,424,010
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 133,652	\$ 141,031
610	Purchased Water	52,492	73,722
615	Purchased Power	203,471	188,415
618	Chemicals	5,429	6,775
620	Repairs and Maintenance	156,218	153,907
621	Office Supplies and Expense	7,588	8,786
630	Outside Services	86,032	78,976
635	Water Testing	5,950	14,362
641	Rents		
650	Transportation Expenses	8,550	11,134
657	Insurance - General Liability	14,700	11,630
659	Insurance - Health and Life	14,084	18,136
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	14,592	14,729
403	Depreciation Expense	169,403	172,072
408	Taxes Other Than Income	12,700	12,934
408.11	Property Taxes	35,851	30,703
409	Income Tax	115,594	147,814
	TOTAL OPERATING EXPENSES	\$ 1,036,306	\$ 1,085,126
	OPERATING INCOME/(LOSS)	\$ 409,204	\$ 338,884
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 38,281	\$ 11,548
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(119,688)	(125,847)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (81,407)	\$ (114,299)
	NET INCOME/(LOSS)	\$ 327,797	\$ 224,585

COMPANY NAME Rio Verde Utilities Inc - Water Division

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/15/01	12/31/96		
Source of Loan	Co Bank	Second Arizona Rio Verde Co.		
ACC Decision No.	63585	59392		
Reason for Loan	Plant Expansion	Plant Expansion		
Dollar Amount Issued	\$ 1,290,389	\$ 600,000	\$	\$
Amount Outstanding	\$ 1,108,823	\$ 435,791	\$	\$
Date of Maturity	12/21/2021	12/31/2016		
Interest Rate	Variable %	9.8 %	%	%
Current Year Interest	\$ 81,819	\$ 44,028	\$	\$
Current Year Principle	\$ 44,700	\$ 24,502	\$	\$

Meter Deposit Balance at Test Year End \$ 362,170

Meter Deposits Refunded During the Test Year \$ 27,073

COMPANY NAME	Rio Verde Utilities, Inc.	
Name of System	07-121	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-606073	25	310	145	12	6	62
55-606071	75	750	697	20-16	6	71
55-561190	200	1000	1050	18	12	97
55-506808	10	110	117	16-12	3	84
55-510881	200	950	1075	16	8	86
55-511320	40	380	665	16	6	86
55-519287	200	500	950	16	8-6	87
55-561226	400	2000	1160	16	12	97
55-578746	20	510	200	12	6	00

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
WATER EXCHANGE CAP/SRP	NA	92,175

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	2	210	
50	1		
300	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
300,000	1	500	1
740,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Rio Verde Utilities	
Name of System	07-121	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	1585
3	PVC	6186
4	PVC	57343
5		
6	PVC	71719
8	PVC	74914
10		
12	PVC	22405
8	DIP	553
12	DIP	3234
16	DIP	1844
8	TRANSITE	29084
10	TRANSITE	700
12	TRANSITE	1700

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	380
1	1259
1 1/2	9
2	3
Comp. 3	
Turbo 3	
Comp. 4	2
Tubo 4	
Comp. 6	1
Tubo 6	
8"	2
12"	5

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Hypochlorinators @ Wells 1 & 2

STRUCTURES:

LAB/OFFICE

STORAGE TANKS & Wells 2, 3, 4, 5, 7, 9 ARE FENCED

Wells 1, 6, 8 & Booster Pump ARE WALLED

OTHER:

150 KW GENERATOR @ 300,000 STORAGE TANK

75 KW GENERATOR @ Well 2

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: <u>Rio Verde Utilities, Inc</u>		
Name of System	<u>07-121</u>	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	<u>1615</u>	<u>47 697</u>	<u>52 696</u>	<u>0</u>
FEBRUARY	<u>1624</u>	<u>47 908</u>	<u>52 114</u>	<u>0</u>
MARCH	<u>1628</u>	<u>43 884</u>	<u>47 161</u>	<u>0</u>
APRIL	<u>1637</u>	<u>85 509</u>	<u>91 773</u>	<u>0</u>
MAY	<u>1641</u>	<u>110 900</u>	<u>103 723</u>	<u>0</u>
JUNE	<u>1646</u>	<u>126 860</u>	<u>124 968</u>	<u>0</u>
JULY	<u>1649</u>	<u>103 450</u>	<u>101 474</u>	<u>0</u>
AUGUST	<u>1654</u>	<u>96 577</u>	<u>92 961</u>	<u>0</u>
SEPTEMBER	<u>1656</u>	<u>67 752</u>	<u>70 695</u>	<u>0</u>
OCTOBER	<u>1656</u>	<u>9 2022</u>	<u>96 784</u>	<u>0</u>
NOVEMBER	<u>1659</u>	<u>70 394</u>	<u>70 841</u>	<u>0</u>
DECEMBER	<u>1662</u>	<u>37 868</u>	<u>40 427</u>	<u>0</u>
TOTALS →		<u>930 827</u>	<u>945 624</u>	<u>0</u>

What is the level of arsenic for each well on your system? POE = .0095 mg/l

(If more than one well, please list each separately.)

Well 1 = .010 Well 4 = .007 Well 9 = .007
Well 2 = .007 Well 6 = .023

If system has fire hydrants, what is the fire flow requirement? 500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes (x) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(x) Yes () No

If yes, provide the GPCPD amount: residential = 137 non residential 855

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Rio Verde Utilities, Inc YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 27,158

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Sim Thomson, VP</u>
COMPANY NAME	<u>Rio Verde Utilities, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

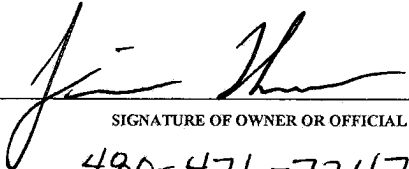
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

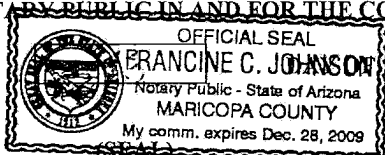


SIGNATURE OF OWNER OR OFFICIAL
480-471-7247

TELEPHONE NUMBER

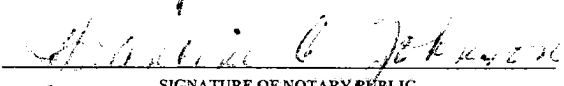
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS



COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u> <u>2007</u>

MY COMMISSION EXPIRES Dec. 28, 2009



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Rio Verde Utilities Inc.

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>289,148</u>
Estimated or Actual Federal Tax Liability	<u>96,017</u>

State Taxable Income Reported	<u>361,316</u>
Estimated or Actual State Tax Liability	<u>25,171</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/13/07
DATE

Tim Thomson
PRINTED NAME

VP
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Jim Thomson, VP</u>
COMPANY NAME
<u>Rio Verde Utilities, Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

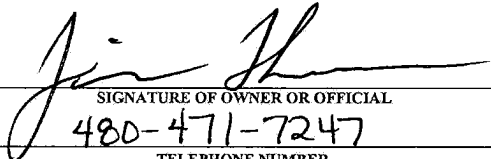
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,511,265

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 87,256
IN SALES TAXES BILLED, OR COLLECTED)

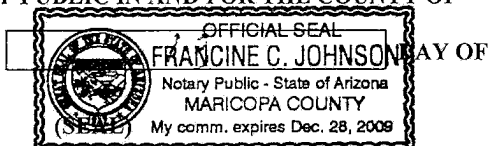
****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
480-471-7247
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

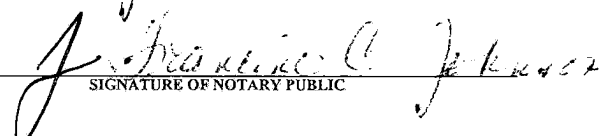
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2007</u>

MY COMMISSION EXPIRES Dec. 28, 2009


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>Jim Thomson</u>	TITLE <u>VP</u>
COMPANY NAME <u>Rio Verde Utilities, Inc.</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>529,948</u>
--

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 31,408
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Jim Thomson
SIGNATURE OF OWNER OR OFFICIAL
480-471-7247
TELEPHONE NUMBER

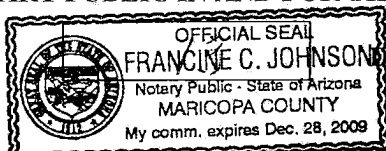
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)

MY COMMISSION EXPIRES



Dec. 28, 2009

NOTARY PUBLIC NAME <u>Francine C. Johnson</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	20 <u>07</u>

Francine C. Johnson
SIGNATURE OF NOTARY PUBLIC

SEC/LOT TWN/BLK RNG/TR

PAID

PARCEL/ACCOUNT # 622-80-003-6



MARICOPA COUNTY TREASURER

DAVID SCHWEIKERT, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199

PROPERTY DESCRIPTION
SEC/LOT TWN/BLK RNG/TR

TOTAL VALUE OF OPERATING PROPERTY

*Property address: SITUS ADDRESS NOT AVAILABLE.

MARICOPA COUNTY 2006 PROPERTY TAX STATEMENT

TO UPDATE YOUR MAILING ADDRESS

please go to:

<http://treasurer.maricopa.gov>



814 830 *****AUTO**SCH 5-DIGIT 85262
RIO VERDE UTILITIES INC (WATER)
25609 N DANNY LN STE 1
RIO VERDE, AZ 85263-8131

SIGN UP FOR "PARCEL WATCH"
and receive an e-mail reminder for
second half payments.
<http://treasurer.maricopa.gov>

\$25.00 CHARGE IF CHECK
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

Primary (limited) Assessed Value 10,658

Secondary Assessed Value 10,658

Tax Area Code: 000003

PRIMARY		CONTACT #	COMPARATIVE 2005 AMT	RATE / 100	2006 AMT DUE
COUNTY EDUC. (ARS 15-991.01)		(602) 506-8511	198.72	17394	185.38
GENERAL COUNTY FUND		(602) 506-8511	130.19	11794	125.70
COMMUNITY COLLEGE DIST.		(480) 731-8621	97.18	8815	93.96
EDUCATION EQUALIZATION		(602) 506-8511	47.39	0000	.00
SUBTOTAL			471.48	38003	405.04
SECONDARY					
FLOOD CONTROL OF MARICOPA COUNTY		(602) 506-1501	23.04	2047	21.82
CENTRAL ARIZONA WATER CONSV. DIST.		(623) 869-2333	13.08	1200	12.78
FIRE DISTRICT ASSISTANCE		(602) 506-8511	.75	0068	.72
COUNTY LIBRARY		(602) 652-3000	5.68	0507	5.40
COUNTY HEALTHCARE DISTRICT		(602) 344-5978	13.12	1184	12.62
*BONDS**					
-COUNTY			.00	0000	.00
-CITY			.00	0000	.00
-SCHOOLS			.00	0000	.00
-COMMUNITY COLLEGE			15.00	1831	19.52
SCHOOL DISTRICT OVERRIDES			.00	0000	.00
SUBTOTAL			70.64	8837	72.86
SPECIAL DISTRICT		DISTRICT #			
RIO VERDE FIRE DISTRICT	11578	(480) 471-2068	257.68	24382	259.86
			800.00	TOTAL FOR 2006	737.76

*Property address is provided by the Maricopa County Assessor's Office.

(249564 = PRTCNTL)

PAID